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Message Text

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15
ACTION EB-11

INFO OCT-01 EA-11 ISO-00 AID-20 CIAE-00 COME-00 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SP-03

CIEP-02 LAB-06 SIL-01 OMB-01 NSC-07 SS-20 STR-08

CEA-02 L-03 H-03 PA-04 PRS-01 USIA-15 DRC-01 /152 W
---------- 040308
R 110403Z APR 74
FM AMEMBASSY WELLINGTON
TO SECSTATE WASHDC 7919
INFO AMEMBASSY CANBERRA

LIMITED OFFICIAL USE WELLINGTON 1158

EO 11652: NA
TAGS: EFIN NZ
SUBJ: PROBABILITY GNZ WILL SOON SEEK FOREIGN CREDITS

1. DURING FAREWELL CALLS ON DEPUTY LEADER OPPOSITION
MULDOON (10 APRIL) AND FINANCE MINISTER ROWLING 11 APRIL),
THEY CONCURRED ON FOLLOWING (I DID NOT GIVE ROWLING MULDOON'S VIEWS):

A) AS OF MARCH, NZ FOREIGN RESERVES HAVE FALLED
NZ$800 MILLION.

B) INCREASED FUEL COSTS WILL COST NZ ABOUT
NZ$200 MILLION ADDITIONAL ANNUALLY.

C) INCREASED IMPORTS AND INCREASED COST PER UNIT
WILL COST ANOTHER ADDITIONAL NZ$200 MILLION ANNUALLY.

D) THEREFORE IF NOTHING IS DONE NZ RESERVES
WILL APPROACH ZERO IN 24 MONTHS.

E) BULK OF INCREASED IMPORTS USEFUL TO GNZ ECONOMY.

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F) ROWLING STRESSED GNZ DOES NOT WANT SHRINKAGE

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WOURLD TRADE, WHICH WOULD HURT NZ AND EVERY OTHER NATION.
GNZ DESIRES CONTINUE IMPORTING WHAT IT NEEDS AND MAINTAIN
SAFE LEVEL FOREIGN RESERVES.

2. CONCLUSION: GNZ WILL BE SEEKING FOREIGN CREDITS
TO MAINTAIN ITS IMPORTS AND STRENGHTEN ITS ECONOMY.

IN THIS CONNECTION, ROWLING WAS PLEASED TO NOTE US HAS
RECENTLY RELAXED SOME RESTRICTIONS ON US CAPITAL OUTFLOW.

3. COMMENT: A SOUND BIPARTISAN POLICY FOR NZ.
WOOD

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NNN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CREDIT, ECONOMIC CONDITIONS, CAPITAL FLOWS, FOREIGN ASSISTANCE
Control Number: n/a
Copy: SINGLE
Draft Date: 11 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974WELLIN01158
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740083-0557
From: WELLINGTON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740446/aaaabpzf.tel
Line Count: 73
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 08 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 JUL 2002 by kelleyw0>; APPROVED <06-Aug-2002 by MorefiRH>
Review Markings:

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US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PROBABILITY GNZ WILL SOON SEEK FOREIGN CREDITS
TAGS: EFIN, NZ
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

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